

**EXHIBIT 26**

**From:** Richard Levin <RLevin@cravath.com>  
**Sent:** 5/13/2009 8:52:41 PM +00:00  
**To:** "Hirschfield, Marc E." <BH/NEW YORK/RECIPIENTS/MHIRSCHFIELD>  
**CC:** rrolfe@cravath.com; "Lucchesi, Thomas" <BH/US/BAKER & HOSTETLER  
RECIPIENTS/CLEVELAND/LUCCHESI>  
**Subject** Re: Optimal Settlement: Revised Draft, HSBC and Press Release  
:

OK

"Hirschfield, Marc E."  
<mhirschfield@bakerlaw.com>  
To <RLevin@cravath.com>, "Lucchesi, Thomas" <tlucchesi@bakerlaw.com>  
cc <rrolfe@cravath.com>  
Subject Re: Optimal Settlement: Revised Draft, HSBC and Press Release  
05/13/2009 04:49 PM

Why don't you call me (212 589 4610) and I will loop in Tom.

----- Original Message -----

From: Richard Levin <RLevin@cravath.com>  
To: Lucchesi, Thomas  
Cc: Hirschfield, Marc E.; rrolfe@cravath.com <rrolfe@cravath.com>  
Sent: Wed May 13 16:36:33 2009  
Subject: Re: Optimal Settlement: Revised Draft, HSBC and Press Release

4:00 PM is fine. Please give us a number where we can reach you.

"Lucchesi, Thomas" <tlucchesi@bakerlaw.com>

05/13/2009 03:29 PM  
To <rrolfe@cravath.com>, "Hirschfield, Marc E." <mhirschfield@bakerlaw.com>  
cc <rlevin@cravath.com>  
Subject Re: Optimal Settlement: Revised Draft, HSBC and Press Release

Let's do tomorrow afternoon--say 4? Rich?

Thomas R. Lucchesi  
Baker & Hostetler LLP  
3200 National City Center  
1900 East Ninth Street  
Cleveland, Ohio 44114  
216.861.7672

This message was sent from a Blackberry handheld device. Please excuse any typographical or formatting errors.

----- Original Message -----

From: Ronald Rolfe <RRolfe@cravath.com>  
To: Hirschfield, Marc E.  
Cc: rlevin@cravath.com <rlevin@cravath.com>; Lucchesi, Thomas  
Sent: Wed May 13 15:27:32 2009  
Subject: RE: Optimal Settlement: Revised Draft, HSBC and Press Release

I could call in after 3:30 tomorrow and am available at 4 or after Friday.

"Hirschfield, Marc E." <mhirschfield@bakerlaw.com>

05/13/2009 03:25 PM  
To  
    "Lucchesi, Thomas" <tlucchesi@bakerlaw.com>, <rlevin@cravath.com>  
cc  
    <rrolfe@cravath.com>  
Subject  
    RE: Optimal Settlement: Revised Draft, HSBC and Press Release

I could make a call either tomorrow afternoon or Friday afternoon.

-----Original Message-----

From: Lucchesi, Thomas  
Sent: Wednesday, May 13, 2009 3:22 PM  
To: 'rlevin@cravath.com'  
Cc: Hirschfield, Marc E.; 'rrolfe@cravath.com'  
Subject: Re: Optimal Settlement: Revised Draft, HSBC and Press Release

2 p.m. is fine. We should schedule a time tomorrow or Friday to discuss the Agreement.

Thomas R. Lucchesi  
Baker & Hostetler LLP  
3200 National City Center  
1900 East Ninth Street  
Cleveland, Ohio 44114  
216.861.7672

This message was sent from a Blackberry handheld device. Please excuse any typographical or formatting errors.

----- Original Message -----

From: Richard Levin <RLevin@cravath.com>  
To: Lucchesi, Thomas  
Cc: Hirschfield, Marc E.; Ronald Rolfe <RRolfe@cravath.com>  
Sent: Wed May 13 15:08:54 2009  
Subject: RE: Optimal Settlement: Revised Draft, HSBC and Press Release

Also, what about moving the meeting time to 2:00 PM?

"Lucchesi, Thomas" <tlucchesi@bakerlaw.com>

05/13/2009 01:06 PM  
To "Richard Levin" <RLevin@cravath.com>, "Hirschfield, Marc E." <mhirschfield@bakerlaw.com>  
cc "Ronald Rolfe" <RRolfe@cravath.com>  
Subject RE: Optimal Settlement: Revised Draft, HSBC and Press Release

Thanks, Rich. We will review.

Can you check with your people in Geneva that are looking at the numbers? Our guy(Matt Greenblatt) talked to them and sent them information on Monday . He has not heard back from them.

Thanks.

Tom

From: Richard Levin [<mailto:RLevin@cravath.com> <<mailto:RLevin@cravath.com>>]  
Sent: Wednesday, May 13, 2009 12:23 PM  
To: Hirschfield, Marc E.; Lucchesi, Thomas  
Cc: Ronald Rolfe  
Subject: Optimal Settlement: Revised Draft, HSBC and Press Release

Marc & Tom:

**Settlement Agreement**

Attached is a revised Settlement Agreement and a comparison with the prior version that was dated on May 7 and sent to you early on May 8. I have incorporated all the changes that we discussed on Monday, including the new confidentiality provision now in section 13(e). There are two additional changes.

First, our client was concerned that paragraph 11, requiring the Closing, was not sufficiently clear that it occurred only after Bankruptcy Court approval. I have added a phrase to clarify.

Second, I spoke with Cleary (Tom Maloney) about HSBC's willingness to release funds from the accounts. He confirmed that the only impediment from Cleary's perspective was David Sheehan's December letter and that this impediment would be removed by a subsequent letter from your office to the effect stated in paragraph 8 of the Settlement Agreement. He was concerned, however, about HSBC's potential exposure as an initial transferee of the voidable transfers to SUS and Arbitrage and wanted a release. I have added a very short release in paragraph 8 to address his concerns. We don't really care about the wording of the release, since it affects only the Trustee and HSBC. So I have not sent it to Tom Maloney for his review. I assumed that you would need to be comfortable with it before it made any sense to discuss it with Tom. In fact, the release doesn't even need to be in the Settlement Agreement and can be negotiated separately, as long as the Settlement Agreement did not require the funds to pay while HSBC was holding up the money. So I would suggest that you sort this out with Tom at your earliest convenience, or that we acknowledge in the Settlement Agreement that the release will be negotiated separately between the Trustee and the HSBC entities and the Closing obligation triggers only upon that having been concluded.

We would appreciate your being prepared to sign off on the revised Settlement Agreement by the time of our meeting on Monday afternoon, because we are arranging Board meetings of SUS and Arbitrage for Tuesday or Wednesday for final approval on our side. Please let us know if you see any impediment to keeping on that schedule.

**Press Release**

Also attached as we discussed is the current draft of the press release, revised to catch up with the changes in the Settlement Agreement that were discussed on Monday and are reflected in the attached draft.

**Monday Meeting**

Ron's and my schedules have changed. Our earlier meeting has been moved up, and Ron has to catch a plane later in the afternoon. Can we start at 2:00 instead of 2:30?

With best regards,  
Rich

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